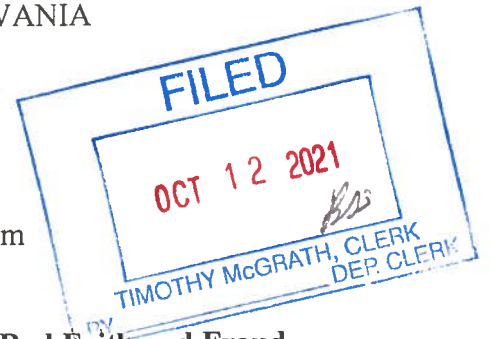


UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA

In Re:

LARRY LEE WISSER :
CATHLEEN RACHEL WISSER : Chapter 12
Debtors : No. 20-14201-pmm



**Trustee's Bench Brief on Chapter 12 Dismissal for Bad Faith and Fraud
under 11 USC §1208**

Finding a pattern of deliberate actions perpetuated with the intent to hinder, delay and defraud the creditors of the debtors is sufficient to support a finding of fraud under § 1208(d). *In re Loganbill*, 554 B.R. 871 (Bankr. W.D. Mo. 2016). Examples of such fraud can include a transfer of assets. *Id.* It can also include having the debtors engage in blatant deception and lying. *Id.* Proving all the elements of common law fraud, including specific reliance and damages is not required to dismiss a case under §1208(d). *In re Caldwell*, 101 B.R. 728, 838 (Bankr.D. Utah 1989).

It is the real damage to the bankruptcy process when courts, trustees and creditors cannot rely on the debtors being truthful in connection with financial matters in their case that is the heart of dismissing a case under §1208(d). *Id.*

In this case the Debtors have damaged the integrity of the bankruptcy system by engaging in a pattern of deception which includes (1) hiding over \$165,000 from creditors prepetition in their freezer; (2) fraudulently transferring \$91,000 in estate funds to an out of state friend post petition to evade paying creditors (funds which have yet to be returned), and finally (3) asking a creditor to lie to the Trustee in this case.

It is an unparalleled pattern of dishonesty, concealment and deceit that cannot go unpunished.

Respectfully submitted,

CHAPTER 12 TRUSTEE

Date: October 12, 2021

/s/ Scott F. Waterman
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